

FY 2001-02 BUDGET

BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT

A. Program Description

This budget finances operation, maintenance, and administration of a collection system, a treatment plant, and disposal facilities which serve the Occidental area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 00-01 Adopted	FY 01-02 Requested	Percent Change	FY 00-01 Adopted	FY 01-02 Requested	Percent Change
Operations	\$242,806	\$251,867	3.73%	\$36,395	\$25,378	(30.27%)
Bonds #2	605	560	(7.44%)	(1,275)	(1,320)	3.53%
Construction	3,983,000	4,058,370	1.89%	3,982,730	4,058,100	1.89%
TOTAL:	\$4,226,411	\$4,310,797	2.00%	\$4,017,850	\$4,082,158	1.60%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 99-00 Actual	FY 00-01 Budget Estimate	FY 00-01 Revised Estimate	FY 01-02 Projected	Change from FY 00-01 Budget Estimate
Total ESDs	257	255	258	270	5.88%
Total APNs	99	99	99	99	0.00%

E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 01-02 annual service charges is \$848, representing a 4.18% increase from FY 00-01. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to be higher than the FY 00-01 budget. The number of ESD's for FY 01-02 is projected at 270, twelve more than FY 00-01.

The Occidental County Sanitation District (Occidental CSD) treatment plant first became operational in 1950 and was upgraded in 1970 and 1975. The plant is designed to treat an average daily dry weather flow of up to 50,000 gallons per day to secondary treatment standards. Each year, between October 1 and May 14, treated wastewater from the Occidental CSD is discharged into Dutch Bill Creek. During the balance of the year, treated wastewater is used for irrigation.

The Occidental County Sanitation District is facing very serious financial and operational difficulties.

The treatment plant is in a critical state of disrepair; however, operating revenues and the District's fund balance is inadequate to support required maintenance, repair, or facility improvements. Without near term improvement of the facilities and treatment processes, the Occidental CSD's ability to comply with the conditions of its operating permit remains in doubt.

E. Summary of Issues and Significant Changes (Continued)

During FY 97-98, the Occidental CSD was faced with a Civil Lawsuit under the Clean Water Act and Administrative Civil Liability (Order No. 97-75) was officially adopted by the NCRWQCB in August of 1997 as a result of violations. Increased requirements for sampling and chemical usage, as well as substantial legal fees for multiple lawsuits, have impacted the Occidental CSD's operational expenses.

In accordance with Order No. 97-75, and environmental analysis was completed and the Occidental County Sanitation District Wastewater Treatment and Sispolsal Upgrade Project Final Environmental Impact Report (Occidental CSD EIR) was certified in February of 2000. This work was financed by an interest free loan for \$100,000 from the County of Sonoma's General Fund in FY 98-99. The preferred alternative identified in the Occidental CSD EIR was secondary pretreatment and subsurface disposal through a conventional leach field. If this project is selected, it has been recommended that the management responsibilities for the Occidental CSD be transferred to an entity other than the Agency. Because the Agency's size and structure would prevent it from operating and maintaining a small subsurface disposal system efficiently, the Agency, on behalf of the Occidental CSD, has been authorized to identify and negotiate with another entity to own, operate, and maintain Occidental CSD's facilities. Facilities required for compliance with Order No 97-75 are to be completed by September of 2002.

On a parallel track, the Camp Meeker Park and Recreation District, (Camp Meeker District) is developing a project for Camp Meeker's sanitation needs. The Camp Meeker District is performing an engineering analysis and preparing an Environmental Impact Report (EIR) for a sanitation project. Alternatives being considered by the Camp Meeker District include connection to the Occidental CSD facilities. This EIR is expected to be completed in FY 01-02.

The Occidental CSD is expected to face serious land issues within the next three years if the facilities required for compliance with Order No. 97-75 are not operational by September of 2002. Both the storage and irrigation facilities utilized by the Occidental CSD between May 15 and September 30 each year are located on leased property. The lease for this property will expire in 2003 and it now appears that the lease may not be available for renewal. This situation will continue to be monitored and considered as plans are developed for the future of the Occidental SCD.

LEVEL OF SERVICE

In order to develop operational priorities and staffing needs for the sanitation systems, three basic levels of service have been defined by the Water Agency and are described below.

Asset Preservation: services and programs necessary to **operate, maintain and replace** facility assets.

Standard: services necessary to **operate and maintain** the system in order to limit the risk of service interruption and permit violations.

Minimum: services necessary to **operate** the treatment plant.

Estimated FY 01-02 revenues do not adequately provide funding for even a "Minimum" level of service. An additional \$105,000 in revenue is necessary to achieve the desired Asset Preservation level of service in the Occidental CSD. In the current year, and in recently completed years, the Occidental CSD has had insufficient funds to cover on-going operational expenses. Charges have been transferred to the Agency's General Fund and have not been recovered from the Occidental CSD.

The requested FY 01-02 budget reflects the bare minimum required for operation of the plant and payment of debt service. Only mandatory costs have been included. Every effort will be made to achieve cost savings wherever possible. While the preliminary engineering and environmental work is occurring, the Agency will continue to review the Occidental CSD's options for financing its capital program.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2001-02 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: OCCIDENTAL CSD - OPERATIONS
Section/Index No: 651109

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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REVENUES:

TAXES

1001 Flat Charges - CY	\$188,095	\$207,527	\$19,432	10.33%
1061 Flat Charges - PY	500	500	0	0.00%
1120 Penalties / Costs on Taxes	100	100	0	0.00%

Subtotal Taxes	\$188,695	\$208,127	\$19,432	10.30%
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USE OF MONEY

1700 Interest on Pooled Cash	\$2,250	\$2,250	\$0	0.00%
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Subtotal Use of Money	\$2,250	\$2,250	\$0	0.00%
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CHARGES FOR SERVICES

3400 Sanitation Services	\$15,466	\$16,112	\$646	4.18%
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Subtotal Charges for Services	\$15,466	\$16,112	\$646	4.18%
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TOTAL REVENUES	\$206,411	\$226,489	\$20,078	9.73%
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EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$1,700	\$1,000	(\$700)	(41.18%)
6180 Maintenance - Bldgs / Impr	10,000	11,500	1,500	15.00%
6262 Lab Supplies	250	400	150	60.00%
6522 District Services	136,500	135,000	(1,500)	(1.10%)
6570 Consultant Services	2,500	0	(2,500)	(100.00%)
6573 Administration Costs	1,700	1,800	100	5.88%
6610 Legal Services	500	10,000	9,500	1900.00%
6630 Audit / Accounting Services	5,236	5,300	64	1.22%
7212 Chemicals	17,500	18,000	500	2.86%
7217 State Permits / Fees	8,750	8,000	(750)	(8.57%)
7320 Utilities	15,000	18,000	3,000	20.00%

Subtotal Services and Supplies	\$199,636	\$209,000	\$9,364	4.69%
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SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 651109

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
<u>OTHER CHARGES</u>				
7920 Interest	\$0	\$0	\$0	N/A
7930 Interest - LT Debt	1,670	1,367	(303)	(18.14%)
7980 Depreciation	40,000	40,000	0	0.00%
8090 Loss on Fixed Asset	0	0	0	N/A
Subtotal Other Charges	\$41,670	\$41,367	(\$303)	(0.73%)
<u>FIXED ASSETS</u>				
8510 Buildings / Improvements	\$0	\$0	\$0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>APPROPRIATIONS FOR CONT</u>				
9000 Approp for Contingencies	\$1,500	\$1,500	\$0	0.00%
Subtotal Approp for Contingencies	\$1,500	\$1,500	\$0	0.00%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$24,331	\$24,000	(\$331)	(1.36%)
9209 Ent - Principal Clearing	(24,331)	(24,000)	\$331	(1.36%)
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$242,806	\$251,867	\$9,061	3.73%

TOTAL NET COST (Expenditures Minus Revenues)	\$36,395	\$25,378	(\$11,017)	(30.27%)
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FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Operations

Character Title: Taxes

Character No.: 651109-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to be higher than in the adopted FY 00-01 budget. The rate will increase 4.18%, from \$814 to \$848 with the number of ESDs charged on the tax roll increasing from 239 in FY 00-01 to 251 FY 01-02.

ESDs times annual rate:	251 x \$848	\$212,848
Less Estimated Delinquency Factor:	2.5%	(5,321)
		<hr/>
		\$207,527

1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 651109-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$50,000
Projected Interest Rate	4.50%
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Projected/Planned Interest on Pooled Cash	\$2,250

Character Title: Charges for Services

Character No.: 651109-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 01-02 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$747 to \$814.

ESDs x Annual Charge	19 x \$848	=	\$16,112
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FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Operations

Character Title: Services and Supplies

Character No.: 651109-60

6040 Communications

This account records expenses paid by the District for outside communication services such as Pacific Bell and AT&T, as well as for the cost of alarm services provided by Honeywell.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the treatment plant and collection system. The District is budgeting only a nominal amount in FY 01-02 due to a lack of funds to finance any new maintenance projects beyond essential repairs.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6522 District Services

This account records the cost of labor and overhead associated with operation and maintenance of the District's facilities and equipment, as well as other related service and supply type items.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required. Due to the uncertainty of continuing ACL related issues, the amount required in this account is extremely difficult to predict.

6630 Audit / Accounting Services

This item represents an estimate from the Auditor's Office for the FY 01-02 expense for the audit of the previous fiscal year (\$3,200, as set forth in the Budget Instructions). In addition, this item records the direct allocation of Auditor-Controller Fiscal Services staff costs for time expected to be spent on District accounting.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The requested amount is considered necessary to meet the discharge requirements of the District's NPDES permit, as required by the State Water Quality Control Board, as well as to meet requirements imposed by the ACL (including the use of sodium bisulfite and caustic soda).

7217 State Permits / Fees

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

7320 Utilities

This account records the cost of utilities, such as gas, electricity, and water.

FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Operations

Character Title: Other Charges

Character No.: 651109-75

7930 Interest - LT Debt

This item represents the interest payment due on the existing South Park CSD loan.

7980 Depreciation

Generally accepted accounting principles require that depreciation be expensed each year.

Character Title: Fixed Assets

Character No.: 651109-85

8510 Buildings / Improvements

No expenditures are planned in this account for the forthcoming year due to lack of funds.

Character Title: Other Financing Uses

Character No.: 651109-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund to the construction fund to finance the capital replacement program. Due to the lack of available cash within the operations fund, no transfer is planned for FY 01-02.

Character Title: Appropriations for Contingencies

Character No.: 651109-90

9000 Appropriations for Contingencies

This account is normally used to set aside funding for unanticipated expenditures or revenue shortfalls.

Character Title: Administrative Control Account

Character No.: 651109-92

9200 Ent - Principal

This account reflects the principal payments due on: 1) the outstanding loan from South Park, and 2) the loan obtained from the County General Fund prior to the end of FY 97-98.

The interest rate on the South Park loan is 7%. Payments began June 30, 1985 and will continue annually until June 30, 2005. The FY 00-01 principal payment of \$4,331 is based on the amortization schedule prepared at the time the loan was received. The original loan amount was \$64,759. The outstanding loan balance on July 1, 2001 (following the FY 00-01 P&I payment on June 30, 2000) will be \$19,520.

Payments on the County General Fund loan began in FY 98-99 and continue annually for five years, through FY 02-03. The loan was obtained interest free and will be repaid in annual installments of \$20,000.

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2001-02 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Occidental CSD - Operations

Index No.: 651109

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$58,839	\$30,536	\$11,682
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	201,804	218,320	226,489
Expenditures - (Decrease) retained earnings	(295,409)	(252,540)	(251,867)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(93,605)	(34,220)	(25,378)
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	22,835	40,000	40,000
9200 Ent - Principal Payments	(24,047)	(24,331)	(24,634)
Auditor's Adjustment - Liabilities	(283)	(303)	
Adjustments - Fixed Assets/Contributed Capital	66,000		
Net Change in Encumbrance	797		
Net Adjustment - Increase/(Decrease) to Retained Earnings	65,302	15,366	15,366
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	30,536	11,682	1,670
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$28,303)	(\$18,854)	(\$10,012)
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/99</u>	<u>7/1/00</u>	
Cash	\$79,634	\$59,589	
Accounts Receivable	0	2,128	
Other Receivables	8,759	0	
Accounts Payable	(4,311)	(6,451)	
Due to Other Funds	(20,000)	(20,000)	
Other Current Liabilities	(4,047)	(4,331)	
Encumbrances	(1,196)	(399)	
Total Beginning Retained Earnings	\$58,839	\$30,536	

FY 2001-02 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: OCCIDENTAL CSD - BONDS

Section/Index No: 651224

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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REVENUES:

TAXES

1000 Prop Taxes - CY Secured	\$1,655	\$1,655	\$0	0.00%
1020 Prop Taxes - CY Supplemental	0	0	0	N/A
1040 Prop Taxes - CY Unsecured	0	0	0	N/A
1060 Prop Taxes - PY Secured	0	0	0	N/A

Subtotal Taxes	\$1,655	\$1,655	\$0	0.00%
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USE OF MONEY

1700 Interest on Pooled Cash	\$225	\$225	\$0	0.00%
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Subtotal Use of Money	\$225	\$225	\$0	0.00%
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TOTAL REVENUES	\$1,880	\$1,880	\$0	0.00%
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$200	\$200	\$0	0.00%
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Subtotal Services and Supplies	\$200	\$200	\$0	0.00%
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OTHER CHARGES

7920 Interest	\$405	\$360	(\$45)	(11.11%)
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Subtotal Other Charges	\$405	\$360	(\$45)	(11.11%)
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ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$1,000	\$1,000	\$0	0.00%
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9209 Ent - Principal Clearing	(1,000)	(1,000)	0	0.00%
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Subtotal Administrative Control	\$0	\$0	\$0	N/A
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TOTAL EXPENDITURES	\$605	\$560	(\$45)	(7.44%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$1,275)	(\$1,320)	(\$45)	3.53%
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FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Bonds #2

Character Title: Taxes

Character No.: 651224-10

1000 Prop Taxes - CY Secured

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

1020 Prop Taxes - CY Supplemental

1040 Prop Taxes - CY Unsecured

1060 Prop Taxes - PY Secured

No amount is recommended since little to no revenue has been received in these accounts in recent years.

Note:

The FY 2001-02 bond payment amount (principal and interest) is \$1,360. A total budget of \$200 is requested to cover Fiscal Agent Fees; therefore, total expenses are not expected to exceed \$1,560. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate

Character Title: Use of Money

Character No.: 651224-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$5,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	\$225

Character Title: Services and Supplies

Character No.: 651224-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

**FY 2001-02 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Bonds #2

Character Title: Other Charges

Character No.: 651224-75

7920 Interest

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate was established at 5% on \$4,000 of the bonds and 4¾% on \$28,000 of the bonds. Payments began January 1, 1970 and will continue semi-annually until January 1, 2009. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds

Character Title: Administrative Control Account

Character No.: 651224-92

9200 Ent - Principal

This account reflects the principal expense for general obligation bonds that were issued in 1969 to finance the local share of a wastewater collection system. Payments on the bonds will continue until January 1, 2009. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$32,000
Total FY 77-78 through FY 99-00 Principal Payments:	(23,000)
FY 00-01 Principal Payment:	(1,000)
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Outstanding Bond Amount	\$8,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2001-02 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Occidental CSD - Bonds #2

Index No.: 651224

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$4,904	\$5,152	\$5,577
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,750	1,880	1,880
Expenditures - (Decrease) retained earnings	(502)	(455)	(560)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	1,248	1,425	1,320
Adjustments to Reserves/Encumbrances:			
9200 Enterprise Principal	(1,000)	(1,000)	(1,000)
Net Adjustment - Increase/(Decrease) to Retained Earnings	(1,000)	(1,000)	(1,000)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	5,152	5,577	5,897
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$248	\$425	\$320
<u>Retained Earnings Components at Beginning of FY</u>	7/1/99	7/1/00	
Cash	\$5,904	\$6,152	
Accounts Payable	0	0	
Matured Principal Payable	(1,000)	(1,000)	
Interest Payable	0	0	
Total Beginning Retained Earnings	\$4,904	\$5,152	

FY 2001-02 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: OCCIDENTAL CSD - CONSTRUCTION
Section/Index No: 651505

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$270	\$270	\$0	0.00%
Subtotal Use of Money	\$270	\$270	\$0	0.00%

ADMINISTRATIVE CONTROL ACCOUNT

4210 Advances	\$3,000,000	\$3,000,000	\$0	0.00%
4219 Advances - Clearing	(\$3,000,000)	(\$3,000,000)	\$0	0.00%
4220 Contributed Capital	\$1,000,000	\$1,000,000	\$0	0.00%
4229 Contributed Cap - Clearing	(\$1,000,000)	(\$1,000,000)	\$0	0.00%
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A

OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

TOTAL REVENUES	\$270	\$270	\$0	0.00%
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EXPENDITURES:

OTHER CHARGES

7920 Interest	\$0	\$13,370	\$13,370	N/A
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FIXED ASSETS

8510 Building / Improvement	\$3,983,000	\$4,045,000	\$62,000	1.56%
9142 Capital Replacement Program	0	0	0	N/A
Subtotal Fixed Assets	\$3,983,000	\$4,045,000	\$62,000	1.56%

TOTAL EXPENDITURES	\$3,983,000	\$4,058,370	\$75,370	1.89%
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TOTAL NET COST (Expenditures Minus Revenues)	\$3,982,730	\$4,058,100	\$75,370	1.89%
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FY 2001-02 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Construction

Character Title: Use of Money

Character No.: 651505-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$6,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	\$270

Character Title: Administrative Control Account

Character No.: 651505-42

4210 Advances

This account will record the receipt of proceeds from a proposed \$3 million loan from the USDA to finance the treatment plant upgrade.

4219 Advances - Clearing

This is the clearing account for sub-object 4210.

4220 Contributed Capital

This account will record the receipt of proceeds from an anticipated grant from the USDA to finance the treatment plant upgrade.

4229 Contributed Capital - Clearing

This is the clearing account for sub-object 4220.

Character Title: Other Financing Sources

Character No.: 651505-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund to the construction fund to finance the capital replacement program.

FY 2001-02 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Occidental CSD - Construction

Character Title: Fixed Assets

Character No.: 651505-85

8510 Buildings / Improvements

This account is used for expenses associated with facility upgrades or expansion of the wastewater treatment or collection system. Recent expenses in this account were the result of preliminary engineering work and environmental studies required as a result of an Administrative Civil Liability issued by the North Coast Regional Water Quality Control Board. The budget requested for FY 01-02 represents the estimated cost of upgrading the treatment plant to AWT standards. The planned FY 01-02 activity will be funded through a combination of anticipated loans and grants from the USDA.

9142 Capital Replacement Program

This account normally reflects expenses associated with replacement of treatment facilities and the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair helps to bring the facilities up to current sanitation standards and extends the life of the sanitation infrastructure; however, due to funding shortfalls, no capital replacement projects are planned for the forthcoming year.

FY 2001-02 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Occidental CSD - Construction

Index No.: 651505

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$17,602	\$183,252	\$123,017
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	5,934	7,500	270
Expenditures - (Decrease) retained earnings	(167,880)	(67,735)	(4,058,370)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(161,946)	(60,235)	(4,058,100)
Adjustments to Reserves/Encumbrances:			
4210 Advances	250,000	0	3,000,000
4220 Contributed Capital	36,080	0	1,000,000
Capitalized Interest	(2,404)		
Net Change in Encumbrances	43,920		
Net Adjustment - Increase/(Decrease) to Retained Earnings	327,596	0	4,000,000
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	183,252	123,017	64,917
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$165,650	(\$60,235)	(\$58,100)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/99	7/1/00	
Cash	\$106,672	\$183,252	
Other Receivables	0	0	
Contract Retention Payable	(45,150)	0	
Encumbrances (PO)	(43,920)	0	
Total Beginning Retained Earnings	\$17,602	\$183,252	